

## Public Agenda Item #17

Review, Discussion and Consideration of the  
ERS Incentive Compensation Plan

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# Incentive Compensation Plan

## *Review and Consideration*



### **Plan is designed to:**

- Encourage sustained levels of prudent outstanding investment performance;
- Promote teamwork among employees;
- Support ERS' strategic/operational goals;
- Attract and retain key employees in a cost-effective manner; and
- Focus employees on high quality outcomes.

### **Proposed Plan Revisions:**

1. Reconsideration of Qualitative Metric
2. Modify Eligibility Date for New Hires
3. Plan Process Improvements

# Reconsideration of Qualitative Metric:

## Plan Methodology



|  | Current Methodology                                     | Proposed Methodology  |
|--|---|---|
| <b>Quantitative Performance Goal 75%</b> | All have a <u>minimum</u> of 25% Trust Fund Performance | Maintain current plan   |
|  |   |   |
| <b>Qualitative Performance Goal 25%</b>  | All have a <u>maximum</u> of 25%                        | Request made to remove metric from all <i>Investment Professionals'</i> goals |

# Modify Eligibility Date for New Hires

## *Proposed Revision*



### **Current Plan:**

#### **New Hire Eligibility Date:**

Set as the first day of the first full month after the employee becomes an Eligible Employee

### **Proposed Plan Revision:**

#### **ERS New Hire Eligibility Date:**

First day of the first full month after employee becomes an Eligible Employee and successful completion of:

- 6 month probationary period, or
- 90 days of ERS employment at the Board's or the Executive Director's discretion

# Plan Process Improvements



- Reaffirm and increase Human Resources oversight and management of the ICP
- Maximum Incentive Award determined by weighted salary
- ICP Award calculations process improvements
- Additional reviews and verifications

Questions?